IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITR No. 58 of 1989
Date of decision 18 .1.2007

The Commissioner of Income tax (Central), Ludhiana .. Applicant

Versus

M/s Mujal Gases, Ludhiana .. Respondent

CORAM: HON'BLE MR. JUSTICE M.M. KUMAR
HON'BLE MR. JUSTICE VINOD K. SHARMA

PRESENT: Mr.Rohit Sud, Advocate for the applicant.

Mr. S.K.Garg Narwana, Advocate for the Revneue.

M.M.Kumar, J.

The Income Tax Tribunal by accepting the request of the Commissioner of Income Tax has referred the following question of law for the opinion of this Court under Section 256(1) of the Income Tax Act,1961:

> " Whether on the facts and circumstances of the case, the Income-tax appellate Tribunal was right in law in quashing of the Commissioner of Income Tax (Central)'s order under Section 263 and in holding that the amount of Rs.68,500/- representing security for gas cylinders received by the assessee, was not to be treated as part of its income for the assessment year 1980-81 ?"

The afore-mentioned issue is no longer res-integra and has been answered to by a Division Bench of the Madras High Court in the case of CIT v. Madurai Soft Drinks Pvt. Ltd (2005) 276 ITR 607. A Division Bench of this Court has also followed the view taken by the Madras High Court in ITR No. 69 of 1989 decided on 14.11.2006.

In view of the above, the question referred has to be decided against the revenue and in favour of the assessee. The reference is disposed of accordingly.

(M.M.Kumar)
Judge

(Vinod K. Sharma)
Judge

18.1.2007
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